

REFeree'S REVIEW

Program:	Master in Management
Student:	Viktorii Zelenskaia
Title of thesis:	Board Structure and M&A Performance: Evidence from China

Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis. Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.	5			
Structure and logic of the text flow. Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.		4		
Quality of analytical approach and quality of offered solution to the research objectives. Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.	5			
Quality of data gathering and description. Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.		4		
Scientific aspect of the thesis. Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.	5			
Practical/applied nature of research. Extent to which the theoretical background is related to the international or Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results.		4		
Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.			3	

Each item above is evaluated on the following scale, as applicable: 5 = the thesis meets all the requirements, 4 = the thesis meets almost all the requirements, 3 = a lot of the requirements are not met in the thesis, 2 = the thesis does not meet the requirements.

Additional comments:

Please, elaborate on the above mentioned criteria (we kindly ask you to provide your comments structured as strengths and weaknesses, maximum 5 for each, unless more points are crucial to justify the grade).

Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis:

Pros:

- The author provided a good overview of the global M&A activity and explained why tech sector M&A is important and is worth studying. The aim and objectives were clearly defined. The study objectives are well-aligned with the thesis' topic.
- Overall description of tech sector M&A drivers and its importance in the context of overall M&A activity are good.

Cons:

- Minor comment 1: Picture 2 - Tech M&A chart – latest data point is 1Q17 with a quite low value compared to full-year 2016 (45 vs 411), which may suggest that the M&A activity has started to decelerate. It would be good to include more recent data points.
- Minor comment 2: the author should be more careful with wording. In the text (including the abstract) the author mentions words such as 'influence' 'depends' and 'impact' with regard to her research of Board characteristics and M&A performance. The author has only studied the relationship (via regression models); the research of influence is different from relationship and would require additional econometric tests.

Structure and logic of the text flow:

Pros:

- Overall, logic of research, scope of the thesis and alignment of thesis' structural parts are good.

Cons:

- The author's wording in English is confusing, which makes the text a bit difficult to understand.

Examples:

- Page 22 – author wrote a sentence “AR are equal to actual incomes minus the expected profit in the **warehouse**, that the event does not take place” – what does that ‘warehouse’ (рус. – склад) mean??
- Same page 22: author wrote “A short-term study of events can greatly **influence the influence** of external factors”.
- Also, several typos appear throughout the text. As an example, on the same page 22 the author wrote “case studies” instead of “event studies”; page 27 – “chatter” (рус. – болтовня) instead of “chart” (рус. – график).
- Also, in the summary (page 56), the author provides an unclear statement: “The results of the studies showed which particular characteristics have the strongest influence on the M&A performance, they are. This characteristic did not show the high impact on M&A performance.”
- As a minor drawback, the description/definition of vertical and horizontal mergers appears twice in different text sections on pages 10 and 11.

Quality of analytical approach and quality of offered solution to the research objectives:

Pros:

- The author has successfully formulated the research problem and objectives and has chosen relevant research methodology based on existing studies.

Cons:

- It would be good if author also presented information whether there are existing studies on the relation between Board characteristics and M&A performance for Chinese companies and what their conclusions are.

Quality of data gathering and description

Pros:

- The data gathering process was logical and was described well.
- The list of references is complete and relevant.

Cons:

- The author has not shown the results of tests whether the difference of CARs from 0 is statistically significant – such tests are important considering the standard deviation and event window length.
- Operating profit (and its logarithm) is probably not a good independent variable – for example, a large low-margin company can have the same operating profit as a small highly profitable company. It would be better to consider operating profit margin.

Scientific aspect of the thesis

Pros:

- The author has successfully formulated her own hypotheses, dependent and control variables, as well as selected event study windows after analysing a broad range of existing studies.

Practical/applied nature of research

Pros:

- The research is highly relevant to international managerial practice with regard to M&A deals.
- The author has successfully suggested practical recommendations to companies and to boards of directors.

Cons:

- R-squared for both regression models are very low (0.04 and 0.05) and the author hasn't highlighted and addressed this issue.
- Empirical study results interpretation is not perfect. For example, the suggested explanation for the opposite types of relationship between CAR and the board size for the two event windows on page 55 does not look convincing as it is unlikely that the board of directors would meet more than one time over the scope of both event windows considered.

Quality of thesis layout

The layout partly meets the requirements, with the exception of several drawbacks:

- On the contents page, reference to heading 1.4.1 is missing
- Section 3.1 is followed by section 3.4.
- Within the text, headings for sections 1.4 and 1.7 are highlighted in blue, while all the rest are in black.
- Formatting of the references to other studies within the text is inconsistent.
- It is hard to understand which tables from the appendix correspond to which regression model. The tables in the appendix don't have descriptive titles, while the thesis text only briefly mentions that there are tables in the appendix but doesn't provide specific references to appendix 1, appendix 2, etc.

Master thesis of Viktoriia Zelenskaia meets the requirements of the Master in Management program, and according to the reviewer's opinion deserves a "good (C)" grade, thus the author can be given the desired degree.

Date 02.06.2018

Referee: Vladislav Petrukhin